

Message Text

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PAGE 01 GENEVA 01216 01 OF 03 280346Z
ACTION STR-06

INFO OCT-01 AF-10 ARA-10 EA-10 EUR-12 NEA-10 ISO-00
AGRE-00 CEA-01 CIAE-00 COME-00 DODE-00 EB-08
FRB-03 H-01 INR-07 INT-05 L-03 LAB-04 NSAE-00
NSC-05 PA-01 CTME-00 AID-05 SS-15 ITC-01 TRSE-00
USIA-06 PRS-01 SP-02 SOE-02 OMB-01 DOE-11 OIC-02
XMB-02 STRE-00 IO-13 /158 W
-----070206 280359Z /62

P 261859Z JAN 78
FM USMISSION GENEVA
TO SECSTATE WASHDC PRIORITY 5187
INFO ALL EC CAPITALS
AMEMBASSY OTTAWA
AMEMBASSY TOKYO

LIMITED OFFICIAL USE SECTION 01 OF 03 GENEVA 01216

USMTN, USEEC
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C O R R E C T E D C O P Y FOR SECTIONAL INFO

E.O.11652:N/A
TAGS: MTN, ETRD
SUBJECT: EC STATEMENT AT INFORMAL SESSION (JANUARY 23)
OPENING FINAL MTN BARGAINING PHASESE

EC REP (COMMISSION VICE PRESIDENT HAFERKAMP), SPEAKING AT
INFORMAL MTN SESSION JANUARY 23, MARKED OPENING OF FINAL
BARGAINING PHASE OF THE MTN WITH STATEMENT HIGHLIGHTING KEY
EC OBJECTIVES. MTN DEL INFORMAL TRANSLATION OF HAFERKAMP'S
STATEMENT FOLLOWS:

1. BEGIN TEXT: MR. PRESIDENT, FIRST OF ALL I WANT TO
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PAGE 02 GENEVA 01216 01 OF 03 280346Z

THANK YOU, MR. DIRECTOR GENERAL, FOR HAVING ORGANIZED
THIS MEETING WHICH, ALTHOUGH OF AN UNOFFICIAL CHARACTER,
NEVERTHELESS HAS A VERY DISTINCT USEFULNESS. IT GIVES
US THE OPPORTUNITY TO COMMENT BRIEFLY ON THE DEVELOPMENT
OF THE NEGOTIATIONS AND TO UNDERLINE THEIR IMPORTANCE.

2. I THINK IT WOULD BE USEFUL TO EXPLAIN BRIEFLY THE

TONE AND THE SIGNIFICANCE OF THE DISCUSSIONS OF THE EEC COUNCIL OF MINISTERS, WHICH TOOK PLACE ON THE 17TH OF JANUARY.

(A) THE COMMUNITY WISHED TO CONFIRM ITS BROAD INTERESTS AND TO STRESS ITS POLITICAL WILL BY ENTERING THE MOST ACTIVE PHASE OF THE NEGOTIATIONS. FOR IT IS ABOVE ALL AN ACT OF FAITH.

THE COMMUNITY'S ACTION IS TAKEN WITH CLARITY AND WITH REALISM:

-- ON THE ONE HAND IT BELIEVES THAT THE SUCCESS OF THESE NEGOTIATIONS CONSTITUTES THE SYMBOL OF OUR GOVERNMENTS' DETERMINATION TO DEFEND AND TO DEVELOP A WORLDWIDE TRADING SYSTEM THAT IS AS FREE AS POSSIBLE.

-- ON THE OTHER HAND, IT WILL BE CLEARSIGHTED AND REALISTIC WHEN IT COMES TO PROMOTING ITS INTERESTS IN A COMBINED EFFORT BY ALL THE PARTICIPANTS.

(B) THE COMMUNITY HAS TABLED ITS OFFERS ON THE AGREED DATE, AND ACCORDING TO THE AGREED RULES. THESE OFFERS, ON TARIFFS AS WELL AS NON-TARIFF AND AGRICULTURE, WERE TABLED LAST FRIDAY. THE OFFER SETS FORTH THE BASIC POSITION OF THE COMMUNITY ON A CERTAIN NUMBER OF IMPORTANT LIMITED OFFICIAL USE

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PAGE 03 GENEVA 01216 01 OF 03 280346Z

POINTS. THE FOLLOWING ARE THE MOST SIGNIFICANT ELEMENTS.

(I) IN THE BROAD PROSPECTIVE THE COMMUNITY LOOKS ON THE NEGOTIATIONS AS A TOTALITY, WITHIN WHICH NO INDIVIDUAL ELEMENT SHOULD BE GIVEN PREFERENCE, BUT IN WHICH ALL THE ELEMENTS SHOULD MOVE IN PARALLEL.

(II) THIS NEED FOR PARALLEL PROGRESS APPLIES IN PARTICULAR TO CERTAIN ELEMENTS WHICH THE EC CONSIDERS OF GREAT IMPORTANCE, AND THESE ARE:

-- AGRICULTURE,
-- THE ACCEPTANCE OF SELECTIVE APPLICATION IN THE SAFEGUARD CLAUSE,
-- UNIVERSAL AND HARMONIZED LANGUAGE FOR CUSTOMS VALUATION,
-- AND THE UNIVERSAL APPLICATION OF THE INJURY CRITERIA AS PROVIDED IN ARTICLE VI.

(III) THE COMMUNITY STRONGLY BELIEVES THAT THE RESULTS OF THESE NEGOTIATIONS SHOULD REFLECT A BETTER DEGREE OF BALANCE IN THE RECIPROCAL OBLIGATIONS OF THE

MAJOR NEGOTIATING COUNTRIES IN THE TARIFF AREA AS WELL AS
IN THE NONTARIFF AREA.

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PAGE 01 GENEVA 01216 02 OF 03 272254Z
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CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01 INR-07
INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00
AID-05 SS-15 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02
SOE-02 OMB-01 DOE-11 OIC-02 XMB-02 STRE-00 /128 W
-----065174 272306Z /61/20

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LIMITED OFFICIAL USE SECTION 02 OF 03 GENEVA 01216

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SHOULD WE NOT ALSO EXPECT THAT THE GENERAL AGREEMENT
WOULD BE APPLIED DEFINITELY - AND NOT JUST PROVISIONALLY-
SO THAT THERE WILL BE A MORE UNIFORM ASSUMPTION OF
OBLIGATIONS ON THE PART OF ALL THE DEVELOPED COUNTRIES?

(IV) AS FOR THE DEVELOPING COUNTRIES, AND IN
PARTICULAR THOSE WHO ARE THE LEAST DEVELOPED, THE
COMMUNITY REAFFIRMS ITS INTENTION TO RE-EXAMINE ALL THE
FACETS OF THE NEGOTIATIONS, AND, WHERE PRACTICABLE,
PROVIDE SPECIAL AND DIFFERENTIAL TREATMENT;

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PAGE 02 GENEVA 01216 02 OF 03 272254Z

THE COMMUNITY DOES NOT EXPECT RECIPROCITY FROM THE DEVELOPING COUNTRIES, BUT IT DOES ASK FROM THE MORE ADVANCED DEVELOPING COUNTRIES APPROPRIATE CONTRIBUTIONS COMPATIBLE WITH THEIR NEEDS IN INDUSTRIAL DEVELOPMENT, FINANCE, AND COMMERCE, IN SUCH A WAY THAT EVERYONE CONTRIBUTES TO THE FINAL SUCCESS.

(V) AS FAR AS THE TARIFF ASPECT OF THE NEGOTIATIONS IS CONCERNED, THE COMMUNITY OFFERS TO BEGIN BY APPLYING THE SWISS FORMULA WHICH PROVIDES A SIGNIFICANT, WELL-BALANCED, AVERAGE REDUCTION OF THE COMMUNITY'S CUSTOMS TARIFFS.

IN SO DOING THE COMMUNITY WILL TAKE INTO ACCOUNT THE OFFERS OF ITS PARTNERS - AND THE TOTAL OR PARTIAL EXCEPTIONS WHICH THEY MAY CONTAIN.

IN THIS CONTEXT THE COMMUNITY REAFFIRMS ITS SUPPORT OF THE PRINCIPLE OF HARMONIZATION, AND WILL KEEP A CAREFUL WATCH ON ANY EROSION OF THIS PRINCIPLE.

IN ORDER TO ACHIEVE SATISFACTORY RECIPROCITY IN BOTH QUANTITATIVE AND QUALITATIVE TERMS, THE COMMUNITY WILL MAKE THE NECESSARY ADJUSTMENTS IN ITS OFFER.

AS FAR AS THE COMMUNITY IS CONCERNED, IT WISHES TO MAKE CLEAR THAT IT DOES NOT ACCEPT THE IDEA OF "COMPENSATION FOR EXCEPTIONS."

AS FOR THE IMPLEMENTATION OF THE TARIFF REDUCTIONS WHICH WILL FINALLY BE AGREED UPON, AND WHICH ARE MENTIONED IN PARAGRAPH 7 OF DOCUMENT MTN/INF/11, THE COMMUNITY CONSIDERS THAT THE IMPLEMENTATION OF THE LIMITED OFFICIAL USE

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PAGE 03 GENEVA 01216 02 OF 03 272254Z

SECOND TRANCHE COMPRISING THE THREE LAST ANNUAL STEPS SHOULD BE LINKED TO THE ECONOMIC SITUATION THEN PREVAILING. OUR COUNCIL OF MINISTERS ITSELF WILL EXAMINE THE OVERALL SITUATION AT THAT MOMENT TO EVALUATE WHETHER THE CONDITIONS ARE APPROPRIATE FOR MOVING TO THIS SECOND TRANCHE.

(VI) BUT IN OUR VIEW THE NONTARIFF NEGOTIATIONS ARE EVEN MORE IMPORTANT THAN THE TARIFF NEGOTIATIONS. ACTUALLY THE CUSTOMS TARIFFS OF SOME DEVELOPED COUNTRIES HAVE BEEN PROGRESSIVELY REDUCED IN THE COURSE OF PREVIOUS NEGOTIATIONS, WHICH HAVE TAKEN PLACE IN THE GATT CONTEXT THIS EX-

PLAINS WHY THE COMMUNITY ATTACHES THE GREATEST IMPORTANCE TO A HARMONIZATION OF THE TARIFF PROFILES OF THE DEVELOPED COUNTRIES.

HOWEVER, NONTARIFF MEASURES REPRESENT A DOMAINE WHERE THE INGENUITY OF OFFICIALS CAN HAVE FULL REIN, WHETHER IT MIGHT BE TO RESTRAIN TRADE VOLUNTARILY, OR WHETHER IT WOULD BE A QUESTION OF APPLYING REGULATIONS IN A LEGITIMATE WAY FOR REASONS OF POLLUTION OR HEALTH, FOR EXAMPLE, BUT WITH THE RISK OF INTERFERING WITH THE FREE FLOW OF TRADE. THIS IS WHY WE NEED A STRENGTHENED INTERNATIONAL COOPERATION. AND THIS INTERNATIONAL COOPERATION SHOULD NOT DEAL ONLY WITH CORRECTIVE MEASURES, BUT EVEN MORE WITH PREVENTIVE MEASURES FOR THE FUTURE.

(VII) I WOULD LIKE TO CONCLUDE THIS PRESENTATION BY EXPLAINING THE DECISIONS OF THE COMMUNITY WITH ONE LAST FACTOR. IN DOCUMENT MTN/INF/11, WHICH I HAVE ALREADY CITED, PARAGRAPH 7 SAYS: "THE REDUCTION OF TARIFFS WILL NORMALLY EXTEND OVER A PERIOD OF EIGHT YEARS BEGINNING ON JANUARY 1, 1980, OR ON THE DATE ON WHICH THE MAIN AGREEMENTS RESULTING FROM THE MTN WILL HAVE BEEN RATIFIED BY THE PRINCIPAL PARTICIPANTS AND THE NECESSARY LEGISLATION PROMULGATED."
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PAGE 04 GENEVA 01216 02 OF 03 272254Z

I WANT TO POINT OUT THAT THE COMMUNITY WILL NOT IMPLEMENT ITS OWN CONCESSIONS UNTIL THE NECESSARY

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PAGE 01 GENEVA 01216 03 OF 03 261940Z
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ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 SOE-02 OMB-01
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LIMITED OFFICIAL USE SECTION 03 OF 03 GENEVA 01216

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PARLIAMENTARY APPROVAL HAS BEEN OBTAINED BY ITS DEVELOPED
COUNTRY PARTNERS.

TO SUMMARIZE THE POSITION OF THE COMMUNITY AS WE
ENTER THIS SUBSTANTIVE PHASE OF THE NEGOTIATIONS:

THE ATTITUDE OF THE COMMUNITY IS FIRMLY POSITIVE
AS A CONSEQUENCE OF OUR CONVICTION THAT WE NEED TO TAKE
A NEW STEP FORWARD IN THE FRAMEWORK OF THE GENERAL
AGREEMENT,

IT IS EQUALLY FIRM BECAUSE - AND I AM SURE MY
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PAGE 02 GENEVA 01216 03 OF 03 261940Z

FRIEND BOB STRAUSS, HIMSELF AN IMPRESSIVE NEGOTIATOR,
WILL NOT CONTRADICT ME - WE ARE HERE CONCERNED WITH THE
SUCCESS OF THESE NEGOTIATIONS TO WHICH ALL SHOULD
CONTRIBUTE IN A COMBINED ENTERPRISE OF IMPROVING THE
INTERNATIONAL FRAMEWORK WHICH GOVERNS COMMERCIAL RELATIONS.

3. MR. PRESIDENT, I NOW WANT TO TURN TO A DISCUSSION OF
OUR FUTURE WORK, WHAT SOME MIGHT CALL "OUR PROGRAM."
IN ORDER FOR THIS NEGOTIATION TO SUCCEED, THERE ARE TWO
ESSENTIAL INGREDIENTS NEEDED:

THE POLITICAL WILL -- AND THE PRESENCE OF A
GREAT NUMBER OF US HERE TODAY ATTESTS TO THAT
POLITICAL WILL;

TECHNICAL IMAGINATION -- AND I AM SURE THAT NONE
OF US ARE SHORT OF EXPERTS.

BUT DO WE HAVE TO GET INVOLVED IN DETAILED DISCUSSIONS OF
A METICULOUS PROGRAM? THIS NEGOTIATION IS AS MUCH
POLITICAL AS IT IS TECHNICAL. IN ANY CASE, IT IS IN NO

WAY A SCIENTIFIC OPERATION, AND EVEN THE MOST DETAILED PROGRAMS, THE MOST RIGOROUS COUNT-DOWN, HAVE BEEN KNOWN TO MISFIRE.

LET US CONCENTRATE OUR ENERGIES ON THE GOAL:

TO CONDUCT THESE NEGOTIATIONS TOWARD A POSITIVE AND REALISTIC RESULT.

LET US UNITE OUR EFFORTS TO AIM AT A CONCLUSION AS SOON AS POSSIBLE, THIS SUMMER IF THAT IS POSSIBLE. BUT WE SHOULD NOT GET OURSELVES TOO MUCH ENMESHED IN RIGID DATES.

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PAGE 03 GENEVA 01216 03 OF 03 261940Z

4. MR. PRESIDENT, I WOULD LIKE TO CONCLUDE THIS BRIEF INTERVENTION BY INDICATING THAT THE COMMUNITY IS ENTERING THIS CRUCIAL PHASE OF THE NEGOTIATIONS WITH THE WILL TO SUCCEED. THE COMMUNITY ITSELF WAS CREATED BY AN ACT OF FAITH AND OF WILL ON THE PART OF SOME GOVERNMENTS.

TODAY THE COMMUNITY DOES NOT BELIEVE THAT THE ECONOMIC RECESSION SHOULD BE PASSIVELY ACCEPTED, AND IT IS TRYING TO REVERSE THIS TENDENCY BY ECONOMIC POLICIES DELIBERATELY AIMED AT RECOVERY.

IT DOES NOT BELIEVE THAT AN INCREASED PROTECTIONISM AND STAGNATION IN WORLD TRADE IS INEVITABLE.

AND FINALLY, IT DOES NOT ACCEPT AS INEVITABLE THE CONDITION OF UNDERDEVELOPMENT AND THE DISPARITY IN THE LIVING STANDARDS BETWEEN INDUSTRIALIZED NATIONS AND THE LESS DEVELOPED COUNTRIES:

THAT IS WHY IT ENDEAVORS TO PURSUE POLICIES WHICH ARE OPEN AND POSITIVE IN ITS FOREIGN RELATIONS.

END TEXT. MCDONALD

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Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC PROGRAMS, SPEECHES, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 26 jan 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978GENEVA01216
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780046-0507
Format: TEL
From: GENEVA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780121/aaaaaqzq.tel
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Litigation Codes:
Litigation History:
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Office: ACTION STR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 7
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
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Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3711682
Secure: OPEN
Status: NATIVE
Subject: EC STATEMENT AT INFORMAL SESSION (JANUARY 23) OPENING FINAL MTN BARGAINING PHASESE EC REP (COMMISSION VICE PRESIDENT HAFERKAMP), SPEA
TAGS: ETRD, MTN, (HAFERKAMP, WILHELM)
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/0f4609e0-c288-dd11-92da-001cc4696bcc
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